

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

GOVERNING BOARD MEETING

John H. Reagan Building
Room JHR 140
105 W. 15th Street
Austin, Texas

May 24, 2018
8:00 a.m.

BOARD MEMBERS:

J.B. GOODWIN, Chair
LESLIE BINGHAM ESCAREÑO, Vice Chair (absent)
PAUL BRADEN, Member
ASUSENA RESÉNDIZ, Member
SHARON THOMASON, Member
LEO VASQUEZ, Member (absent)

TIMOTHY K. IRVINE, Executive Director

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b)	Presentation, discussion, and possible action regarding a change in the ownership structure of the Development Owner prior to issuance of IRS Form(s) 8609 17091 Plateau Ridge Apartments Cleburne
c)	Presentation, discussion, and possible action regarding a material amendment to the Housing Tax Credit ("HTC") Application and a change in the ownership structure of the Development Owner, Developer, and Guarantors prior to issuance of IRS Form(s) 8609 17730 Blue Flame Apartments El Paso
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f)	Presentation, discussion, and possible action on Resolution No. 18-020 authorizing the filing of one or more applications for reservation with the

Texas Bond Review Board with respect to qualified mortgage bonds; authorizing state debt application; approving an underwriting team; and containing other provisions relating to the subject

MULTIFAMILY FINANCE

- g) Presentation, discussion, and possible action on a Determination Notice for Housing Tax Credits with another Issuer
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- h) Presentation, discussion, and possible action regarding a modification to the Subordinate Promissory Note for Houston DMA Housing, LLC

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- j) Presentation, discussion, and possible action on staff determinations regarding Application disclosures under 10 TAC §10.101(a)(3) related to Applicant

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 18018 Columbia Renaissance Square II
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 18081 Pathways at Chalmers Court Austin
 18084 Artisan at Ruiz San Antonio
 18243 2222 Cleburne Houston
 18267 Avenue Sycamore Fort Worth
 18269 2400 Bryan Dallas
 18289 Village at Roosevelt San Antonio
 18306 Campanile on Commerce Houston
 18323 Talavera Lofts Austin
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 18337 Fulton on the Rail Houston
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- k) Report on required Housing Tax Credit 70
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 version of the template as satisfying
 the current rule

RULES

- 1) Presentation, discussion, and possible
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 Funding for CSBG Eligible Entities; an
 order proposing new §2.203 Termination
 and Reduction of Funding for CSBG
 Eligible Entities; an order proposing
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 Quality Improvement Plan; an order
 proposing new §2.204, Contents of a
 Quality Improvement Plan; an order
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 6 Community Affairs Programs: §6.1
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 §6.3 Subrecipient Contract, §6.7
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for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and an order proposing new 10 TAC Chapter 6 Community Affairs Programs: §6.1 Purpose and Goals, §6.2 Definitions, §6.3 Subrecipient Contract, §6.7 Subrecipient Reporting Requirements, §6.8 Applicant/Customer Denials and Appeal Rights; §6.205 Limitations on Use of Funds, §6.206 CSBG Assessment, Community Action Plan, and Strategic Plan, §6.207 Subrecipient Requirements, §6.213 Board Responsibility, §6.214 Board Meeting Requirements; §6.301 Background and Definitions, §6.304 Deobligation and Reobligation of CEAP Funds, §6.307 Subrecipient Requirements for Customer Eligibility Criteria and Establishing Priority for Eligible Households, §6.309 Types of Assistance and Benefit Levels, §6.312 Payments to Subcontractors and Vendors; §6.403 Definitions, §6.405 Deobligation and Reobligation of Awarded Funds, §6.406 Subrecipient Requirements for Establishing Priority for Eligible Households and Customer Eligibility Criteria, §6.407 Program Requirements, §6.412 Mold-Like Substances, §6.414 Eligibility for Multifamily Dwelling Units and §6.415 Health and Safety and Unit Deferral; and directing that they be published for public comment in the *Texas Register*

- m) Presentation, discussion, and possible action on an order proposing the readoption, without changes, of 10 TAC §1.11, Definition of Service-Enriched Housing, and directing its publication

for public comment in the *Texas Register*

- n) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.15, Integrated Housing Rule, and an order proposing new 10 TAC §1.15, Integrated Housing Rule, and directing their publication for public comment in the *Texas Register*
- o) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.1, Reasonable Accommodation Requests, and an order proposing new 10 TAC §1.1, Reasonable Accommodation Requests to the Department, and directing their publication for public comment in the *Texas Register*
- p) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.2, Department Complaint System, and an order proposing new 10 TAC §1.2, Department Complaint System, and directing their publication for public comment in the *Texas Register*
- q) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.4, Protest Procedures for Contractors, and an order proposing new 10 TAC §1.4, Protest Procedures for Contractors, and directing their publication for public comment in the *Texas Register*
- r) Presentation, discussion, and possible action on an order proposing the repeal of 10 TAC §1.6, Historically Underutilized Businesses, and an order proposing new 10 TAC §1.6, Historically Underutilized Businesses, and directing their publication for public comment in the *Texas Register*
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CONSENT AGENDA REPORT ITEMS

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- a) TDHCA Outreach Activities, (April-May)
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P R O C E E D I N G S

1
2 MR. GOODWIN: I call to order the monthly board
3 meeting for the Texas Department of Housing and Community
4 Affairs. It's May 24, 2018.

5 (Pledges recited.)

6 MR. GOODWIN: We'll start with the roll call.
7 Mr. Braden?

8 MR. BRADEN: Here.

9 MR. GOODWIN: Ms. Reséndiz?

10 MS. RESÉNDIZ: Right here.

11 MR. GOODWIN: Ms. Thomason?

12 MS. THOMASON: Present.

13 MR. GOODWIN: Mr. Goodwin. We have a quorum.
14 Okay. I will move into -- the first order of business is
15 a resolution recognizing June as Homeownership Month.
16 Michael, will you lead the resolution?

17 MR. LYTTLE: Yes, sir. Thank you.

18 Whereas June 2016 is Homeownership Month in
19 Texas; whereas it is the goal of the Texas Department of
20 Housing and Community Affairs that all Texans have access
21 to safe and decent affordable housing; whereas it is the
22 policy of the Department to support equal housing
23 opportunities in the administrative of its homebuyer and
24 homeownership programs and services; whereas this year the
25 Department is celebrating 37 years of offering affordable

1 first-time homebuyer assistance to eligible buyers
2 throughout the state of Texas;

3 Whereas since 1981 the Department has served as
4 the state's housing finance agency providing a choice of
5 mortgage products and services to accommodate market
6 opportunities and buyer needs as appropriate; whereas the
7 Department offers a free online homebuyer education tool,
8 Texas Homebuyer U, and administers funds to support the
9 Texas Statewide Homebuyer Education Program to inform and
10 prepare buyers for successful homeownership;

11 Whereas the Department applauds all those who
12 work to achieve and maintain affordable, responsible
13 homeownership and recognizes those who provide services
14 and resources to all homebuyers regardless of race, color,
15 national origin, religion, sex, disability or familial
16 status; and whereas the Department encourages Texans to
17 explore the numerous resources available during
18 Homeownership Month and throughout the year;

19 Now, therefore, it is hereby resolved that in
20 the pursuit of the goal of affordable homeownership
21 opportunities for all, the Governing Board of the Texas
22 Department of Housing and Community Affairs does hereby
23 celebrate June 2018 as Homeownership Month in Texas, and
24 encourages all Texas individuals and organizations, public
25 and private, to joint and work together in this observance

1 of Homeownership Month.

2 Signed this 24th day of May 2018.

3 MR. GOODWIN: Do I hear a motion to adopt this
4 resolution?

5 MR. BRADEN: So moved.

6 MR. GOODWIN: A second?

7 MS. THOMASON: Second.

8 MR. GOODWIN: All in favor, say aye.

9 (A chorus of ayes.)

10 MR. GOODWIN: Opposed?

11 (No response.)

12 MR. GOODWIN: Okay. It is passed. Moving on
13 to the consent agenda, we have a few corrections that we
14 will start with before we move through it. First, on
15 Item 1(i), there are two projects on here that should not
16 be on this list.

17 18086 is being removed and 18250 is being
18 removed. Item 1(k) has been requested to move to the
19 action item -- for the action item, and that will take
20 place. Then we also have a correction to Item 1(l), which
21 will be read by Mr. DeYoung.

22 MR. DeYOUNG: Good morning. Michael DeYoung,
23 Community Affairs division director. Before you take
24 action on the consent agenda, we want to make a verbal
25 correction to Item 1(l) in your Board book. This is --

1 begins -- Item 1(l) begins on page 219 of your Board book,
2 but the actual correction is on page 246.

3 I know it's a long Board item, but it's got a
4 lot of rule stuff in it. So what we're doing and what
5 we're proposing in Section 6.213 under Board
6 responsibility there's a paragraph and we're going to
7 delete that paragraph and replace it with this
8 requirement.

9 It is paragraph D, "Residence Requirement.
10 Board members must follow any residency requirements
11 outlined in 42 U.S. Code Subsection 9910 or federal
12 regulations made pursuant to this section." And that
13 would be the replacement.

14 MR. GOODWIN: Thank you, sir.

15 MR. DeYOUNG: Absolutely.

16 MR. GOODWIN: Any questions for Michael from
17 the Board members?

18 (No response.)

19 MR. GOODWIN: Before I ask for a vote on the
20 consent agenda and reports, I know that we have a letter
21 to be read in on Item No. 1(c), Blue Flame Apartments in
22 El Paso.

23 MR. LYTTLE: The letter reads: "Dear Chairman
24 and Board Members, I write this letter in support of the
25 modification request made by the Housing Authority of the

1 City of El Paso and Franklin Companies, developer of the
2 Blue Flame Apartments.

3 "As you may remember from my previous letters
4 of support, the Blue Flame project is significant for our
5 community. It will restore a historic building and
6 provide much-needed affordable housing in a redeveloping
7 downtown, thereby ensuring that the redevelopment
8 community includes a diverse mix of residents.

9 "I understand that because of the historic
10 nature of the Blue Flame Building, the 16th floor is
11 required to be maintained as office space. That being the
12 case, the developers have determined that it makes the
13 most financial sense to offer the two adjacent floors as
14 office space as well. However, it is my understanding
15 that the project will still have 120 units of tax credit
16 housing.

17 "Given these facts, I remain in strong support
18 of this project. Thank you advance for your consideration
19 of my request and for your service to the state of Texas.

20 Sincerely, Jose Rodriguez, State Senator, Senate
21 District 29."

22 MR. GOODWIN: Thank you. Consent agenda report
23 items. Report Item 2(a). Tim would like to make a
24 comment.

25 MR. IRVINE: Thank you very much. As you came

1 in by the sign-in table, you perhaps noticed a door. That
2 door was presented to us by ADAPT of Texas. That door's
3 not wide enough to get through if you're coming in a
4 motorized wheelchair.

5 Many of our longtime friends from ADAPT made
6 the way on a very hot day, at high noon, from the City of
7 Austin offices on East 11th Street to our offices and then
8 to their congressmen's office to bring awareness of the
9 need, of the serious need for accessible, affordable,
10 integrated housing so that all Texans can live in their
11 communities in places where they have the full use of
12 those facilities and that housing.

13 It's a very powerful and important message. A
14 lot of personal notes are written on that door by members
15 of ADAPT, and I hope you'll all take a look at it, and I
16 hope that you'll all keep in mind the importance of
17 including all members in our community fully and
18 affordably. Thanks.

19 MR. GOODWIN: All right. That is all the
20 corrections or additions I have to the consent agenda.
21 Any Board member that would like to pull any consent
22 agenda item?

23 (No response.)

24 MR. GOODWIN: If not, do I hear a motion to
25 approve the consent agenda and consent report items, as

1 amended and corrected?

2 MS. THOMASON: So moved.

3 MR. GOODWIN: It's moved. A second?

4 MR. BRADEN: Second.

5 MR. GOODWIN: Moved and seconded. All -- any
6 discussion?

7 (No response.)

8 MR. GOODWIN: All in favor, say aye.

9 (A chorus of ayes.)

10 MR. GOODWIN: Okay. The consent agenda has
11 passed. We've had a request to take things for a little
12 out of order because of some people who have other
13 meetings they have to get to. So we're going to take Item
14 No. 6(b), the presentation and discussion on Travis Flats
15 as our first item. Thank you, Marni.

16 MS. HOLLOWAY: Good morning, Chairman Goodwin,
17 members of the Board. I'm Marni Holloway. I'm the
18 director of the Multifamily Finance Division. Item 6(b)
19 is "Presentation, discussion, and possible action on
20 timely filed scoring appeal under 10 TAC §10.901(13) of
21 the Department's Multifamily Program Rules relating to Fee
22 Schedule, Appeals and other Provisions."

23 This appeal relates to the Nine Percent
24 Application No. 18335 for Travis Flats. The application
25 proposes the new construction of 146 units for a general

1 population. The development site is part of a mixed-use
2 development planned by Travis County that will include
3 county government offices, commercial space and
4 multifamily development.

5 The application requested points for the North
6 Airport Boulevard Revitalization Plan as Travis County's
7 Concerted Revitalization Plan, which staff determined did
8 not include evidence of sufficient, documented and
9 committed funding to accomplish its purposes, and there
10 was little evidence in the target area of the problems and
11 issues identified in the plan.

12 MR. GOODWIN: Technical difficulty.

13 MS. HOLLOWAY: Yes. Okay. The appeal asserts
14 that -- is that better?

15 THE REPORTER: I think it's that microphone
16 that's picking it up, not that one.

17 MS. HOLLOWAY: Not this one?

18 (General laughter.)

19 MS. HOLLOWAY: We're going to add that to your
20 job description. Is this better? Okay. The appeal
21 asserts that the neighborhood suffers from issues
22 described in the rule including long-term disinvestment
23 such as significant presence of residential and/or
24 commercial blight, neglect of streets and infrastructure
25 such as inadequate drainage, and our sidewalks are in

1 significant disrepair.

2 Examples included in their appeal include homes
3 that have window units as the sole source of air
4 conditioning, which appear to be aging rather than
5 blighted. Aside for a few instances of graffiti, the
6 businesses pictured do not seem to be blighted.

7 Ultimately, the primary issue with the North
8 Airport Boulevard Revitalization Plan is that it appears
9 this is a plan by the County of what to do with its own
10 property which is within a larger neighborhood that is
11 within the jurisdiction of the City of Austin.

12 Part of the requirement for a concerted
13 revitalization plan in the rule is that the area targeted
14 for revitalization must be larger than the assisted
15 housing footprint and should be a neighborhood. While the
16 County has certainly expended funds in the past to acquire
17 and upgrade its own facilities, the plan relies on City of
18 Austin to accomplish goals outside of the County property.

19 The County has offered no evidence of funds
20 spent to improve any property that it does not own or any
21 funds to improve the problems named in its plan. The
22 appeal points to completed projects, all of which are
23 improvement to the County-owned property.

24 Similarly, the appeal includes a list of
25 projects planned for 2018 and 2019, also improvements to

1 County-owned properties. The Applicant has not
2 demonstrated that the County has the authority or
3 demonstrated funding to extend its influence beyond its
4 own property.

5 Therefore, staff recommends that the Board deny
6 the appeal, and I'd be happy to take any questions.

7 MR. GOODWIN: I know we have people who want to
8 speak to this, so do I hear a motion to hear comments?

9 MR. BRADEN: So moved.

10 MR. GOODWIN: A second?

11 MS. THOMASON: Second.

12 MR. GOODWIN: All in favor, say aye.

13 (A chorus of ayes.)

14 MR. GOODWIN: Opposed?

15 (No response.)

16 MR. GOODWIN: Okay. We will hear comments.

17 First, are there any questions for Marni?

18 (No response.)

19 MR. GOODWIN: Okay.

20 MR. CASAR: Good morning, Chair and Board
21 members. Thank you so much for your service to our state
22 and our community. My name is Greg Casar and I am the
23 City Councilmember for the Austin City Council,
24 representing District 4, which includes the North Airport
25 Boulevard and Ridgetop neighborhood area, where the

1 County's project is proposed.

2 This area used to be the gateway to the
3 Highland Mall and really was the center of so much
4 community life that occurred there at the Highland Mall,
5 which is really the center of this neighborhood. However,
6 with the decline and then demise of the Highland Mall,
7 along with so many other malls across the country, the
8 City of Austin, Travis County, our transit authority, and
9 the Austin Community College District came together with
10 the neighborhood to plan for this area to become one of
11 our city's centers.

12 In our comprehensive plan, we determined that
13 really this is a place where we want concentrate housing
14 growth, where we want to see revitalization, where we want
15 to see a truly mixed-income, pedestrian-friendly
16 community, and so each of us came together to figure out
17 how to revitalize this area, and picked three key public
18 investments in this area that really has seen public
19 disinvestment.

20 There have been private actors that have seen
21 opportunities there for themselves, but really if you walk
22 along Airport Boulevard, compared to so many of our other
23 identified corridors and city centers in the city of
24 Austin, it's not a place where you can easily walk across
25 the street, a place where it looks like there's been

1 adequate public investment, and so the three entities have
2 come together and picked the Highland Mall becoming
3 redeveloped into ACC's new community college campus.

4 This County property become mixed-income,
5 mixed-use redevelopment, and the City of Austin truly
6 investing tens of millions of dollars into Airport
7 Boulevard, as three catalytic projects that are necessary
8 for the revitalization of this area, not just haphazard
9 revitalization, but instead, a really deliberate,
10 thoughtful turning of this area into one of our
11 comprehensive plan's centers for growth and redevelopment.

12 I also come representing a neighborhood and a
13 community that is unlike many others across the city of
14 Austin because they're saying, we want this. They've come
15 to the County and said, we want to see redevelopment of
16 this property next to our neighborhood into dense, mixed-
17 income, mixed-use development with affordable housing.

18 They've come to the City and said, we want to
19 see investment of mobility bonds dollars in this area, and
20 upzoning to provide more housing opportunities for more
21 people because we know that there's a housing crisis and
22 an affordable housing crisis in this city, and so it
23 presents such a great opportunity for revitalization, but
24 as the staff noted, this is not a project or an area of
25 town that is controlled by any one governmental entity.

1 Indeed, it will take every single one of us,
2 the Community College District, the County and the City,
3 working together and in one direction. And you have this
4 very -- in a somewhat rare case where all of us are
5 pushing in exactly the same direction.

6 The Austin City Council recently voted to
7 unanimously support this project because we recognize that
8 our futures are jointly entangled together in order to
9 revitalize this area into a place where it lives up to its
10 former status as a mixed-income part of town that was
11 walkable and really a center of city life.

12 Thank y'all so much. I'm happy to answer any
13 questions.

14 MS. THOMASON: Okay.

15 MR. GOODWIN: Any questions?

16 MR. BRADEN: Mr. Chair, has the Austin
17 Community College District already taken action with
18 respect to the project?

19 MR. CASAR: I am not aware if the Austin
20 Community College District has voted related to this
21 project because I know that the City Council has a
22 responsibility to vote on affordable housing applications
23 within our jurisdiction.

24 But I'm not aware if the Community College
25 District has to do the same. However, I do know -- can

1 state that multiple members of that Board of Trustees that
2 I've spoken with recognize the importance of the County
3 project and that project to make this all happen.

4 MR. BRADEN: And is the project completely
5 within County-owned land?

6 MR. CASAR: My understanding is that it is all
7 on County property and that the City of Austin's
8 investment is in -- primarily in the corridor area which
9 is Airport Boulevard, and then what we consider the walk-
10 shed, the walkable area coming towards it, we've dedicated
11 tens of millions of dollars of voter-approved money for
12 transportation that we've bookmarked to the area, and so
13 we're all sort of jumping in the pool at the same time.

14 MR. GOODWIN: This is a question for Marni.
15 Marni, is the City's role in funding identified in the
16 application?

17 MS. HOLLOWAY: There would -- there was a
18 resolution of local government support that's provided
19 with the application. It's part of the scoring. There
20 was no City of Austin funding identified in sources and
21 uses for this particular application, and there was no
22 evidence of adoption of the plan by the City.

23 So the City has supported the application. We
24 haven't seen evidence of adoption of the plan by the City.

25 MR. GOODWIN: A revitalization plan for the

1 larger neighborhood.

2 MS. HOLLOWAY: Right.

3 MR. GOODWIN: Right?

4 MS. HOLLOWAY: Right.

5 MR. GOODWIN: Okay. Thank you.

6 MR. BRADEN: To the Chair, and I don't know if
7 Marni can answer this or somebody does. So is there a
8 revitalization plan for the whole neighborhood, what the
9 councilperson just --

10 MS. HOLLOWAY: I'm not aware of one. Is
11 there --

12 MR. CASAR: So we have -- and I'm sure that if
13 we had to go -- if we were asked to go through a process
14 to make it fit within the TDHCA guidelines of what a
15 revitalization plan is, I'm sure we could go through with
16 that, but my understanding of what we currently have is,
17 we do have what we call our Airport Boulevard Plan, and so
18 it's not labeled the revitalization plan, but certainly
19 one of the goals of that plan is revitalization.

20 So we do have a master plan in place for this
21 part of the city. It's a neighborhood planning document,
22 and it's sort of -- and so ultimately within our goals of
23 our comprehensive plan is revitalization of this area, and
24 we have a specific neighborhood plan called the Airport
25 Boulevard Plan for this area.

1 And I don't know whether that qualifies
2 specifically within the -- your standards of what an
3 official revitalization plan is for your own guidelines.
4 So I would -- I can of course, you know, get you more
5 information on that.

6 But there is this -- a concerted effort from
7 all parties and if calling it a revitalization plan,
8 voting to formally adopt it as such or formally voting to
9 provide additional funding from the City side to this
10 project would make it happen, it's something that I'm sure
11 my Council would be virtually unanimous on, because the
12 sentiment is certainly that we are all in on revitalizing
13 this particular part of the city.

14 MR. BRADEN: And the Airport Boulevard Plan --
15 or -- I'm sorry -- what you referred to, and this
16 property's totally within that region?

17 MR. CASAR: That's correct.

18 MR. BRADEN: Okay.

19 MR. CASAR: Thank you.

20 MR. ECCLES: Just as a point of
21 clarification --

22 MR. CASAR: Yes, sir.

23 MR. ECCLES: -- is the application the plan
24 that's being used to seek these points for a concerted
25 revitalization plan is the North Airport Boulevard

1 Revitalization plan that was approved by the Travis County
2 Commissioners Court on January 24, 2017.

3 Do you know if the Austin City Council has
4 approved that plan that also commits funding to solve the
5 issues that are addressed in that plan?

6 MR. CASAR: I do not believe that my Council
7 has been presented with that plan, and I'm sure we would
8 be very happy to do so, but my recollection -- and of
9 course, just like y'all, we take so many votes that --
10 don't hold me to it, but my recollection is not that we
11 have been presented with that plan formally. Is that
12 correct?

13 FEMALE VOICE: That's correct.

14 MR. CASAR: We have not been presented formally
15 with that plan, but again, I think the goals envisioned
16 within that plan meet up and have been contemplated in our
17 own Airport Boulevard planning process, because as we have
18 had needed to loosen barriers and regulations to mixed-
19 income housing and mixed-use development, we took into
20 account the Travis County site as one of the catalytic
21 sites and negotiated and worked with the neighborhood to
22 change zoning regulations and our land use maps to make
23 this kind of project be able to happen here and at the
24 mall site.

25 So they contemplate one another, but we have

1 not been presented with that plan, and I would be happy to
2 bring it before my Council if that would help.

3 MR. GOODWIN: You mentioned the mall site.
4 When I look at the map in this presentation, it has a
5 boundary that doesn't include Highland Mall. So were you
6 talking about an area that's larger than what we are
7 seeing here from the City's perspective?

8 MR. CASAR: Yeah, I think, from the City's
9 perspective, we are focusing our dollars from just north
10 of the mall site going just past south of this site, that
11 is, the broader context for our investment and efforts,
12 but we do see both this and the mall site as the two
13 catalytic projects on government-owned property that we
14 want to see happen.

15 MR. GOODWIN: Okay. Is the County and their
16 plan -- have you seen their plan --

17 MR. CASAR: We have.

18 MR. GOODWIN: -- as has been referenced here?

19 MR. CASAR: Correct.

20 MR. GOODWIN: Does it intend to support money
21 beyond -- to do things beyond what the County owns? Are
22 they are going to give money to a revitalization plan for
23 City property?

24 MR. CASAR: Yeah. So I would let the County
25 and the County Judge speak to --

1 MR. GOODWIN: Okay.

2 MR. CASAR: -- their intentions, but what I
3 would say is that we recognize that these sorts of
4 investments create tax revenue throughout the area, and we
5 had a discussion of capturing some of that increased tax
6 revenue in this area, especially off of some of these
7 major investments, to reinvest into the neighborhood, to
8 continue that cycle of revitalization, and so they're
9 having discussions of having tax increment financing
10 alongside the Airport Boulevard corridor, so that as this
11 project triggers more multifamily development and mixed-
12 use development, that we capture some of that tax revenue
13 to finance more affordable housing development so that we
14 can have that kind of mixed-income revitalization that we
15 want to see in the city of Austin.

16 MR. GOODWIN: Okay.

17 MR. CASAR: Thank you so much.

18 MR. GOODWIN: Thank you. Any other question,
19 comments?

20 MR. CASAR: And you want me to sit here?

21 MR. GOODWIN: Additional comments?

22 (No response.)

23 MR. CASAR: Thank y'all very much.

24 MR. GOODWIN: Thank you.

25 MS. ECKHARDT: Good morning, you all. I'm

1 Sarah Eckhardt. I'm the Travis County Judge. I -- oh,
2 wow. We really do need roadies, don't we? I am from an
3 arm of government that is not often well-understood even
4 by those in it.

5 County government is an agent of the State.
6 Any county government is an agent of the State, of course,
7 with authority countywide, irrespective of the lines of
8 the municipality. So while we are not required to get the
9 permission of the City for the redevelopment of 13 acres
10 on North Airport Boulevard for the revitalization of the
11 Ridgetop neighborhood or for the North Loop neighborhood,
12 we work in close collaboration with the City of Austin and
13 indeed all 23 of our municipalities.

14 We have authority throughout even within our
15 municipalities. We have 23 municipalities. In some
16 cases, we have greater latitude than a private landowner
17 within the city limits because of course we do not bear
18 taxes and also we've not restricted by the site
19 development regulations or the neighborhood development
20 plans of the City, but we find that through working with
21 our municipalities very closely we can catalyze these
22 redevelopments of areas that were very low opportunity
23 areas that are coming up to mid-opportunity, and with a
24 little bit of leveraged assistance, can really be a higher
25 level of quality, particularly for low-income folks,

1 particularly for the development of multifamily, deeply-
2 affordable housing, co-located with County services that
3 those very individuals can benefit from.

4 So in working with the City, working with the
5 North Loop Neighborhood Association and the Ridgetop
6 Neighborhood Associations, and working with the ACC
7 Highland Campus, we were able to take the 13 acres that we
8 had been land-banking for future Travis County services
9 and co-located housing on them.

10 This is our first foray into co-locating
11 housing with appropriated braided County services. It
12 will include Health and Human Services, Veteran Services
13 and our Passport Services, directly next to our tax office
14 and our County Clerk's office.

15 The neighborhoods surrounding us are very
16 interested in that because it provides not only housing in
17 our partner, but it also provides possible jobs. It also
18 provides services and it provides a life, a street life, a
19 streetscape, that isn't just convenience stores and gas
20 stations.

21 So this is important to the neighborhoods. We
22 worked with previous councils and this current Council as
23 sort of a pilot case of form-based code on Airport
24 Boulevard in advance of their code rewrite that they're
25 engaged in right now.

1 We have, over the 15 years, invested about
2 \$30 million in this campus. Twenty-eight million dollars
3 will be invested in the Health and Human Services office
4 that will be co-located with this affordable housing.
5 About \$3.6 million will be invested over the next year or
6 two in the tax office that's immediately adjacent. And we
7 anticipate spending an additional 32 million in the next
8 five years on the 13-acre campus on the whole.

9 We also are in productive conversation with the
10 City of Austin about the appropriate use of tax increment
11 financing, public improvement districts and mutual transit
12 investments with Capital Metro for the braided benefit of
13 this area.

14 So we are in deep partnership. It's true that
15 we didn't go before City Council for approval because,
16 well, we're the County, but we did work with them very,
17 very closely. We didn't go before their Zoning and
18 Platting Commission, for instance.

19 We are -- we do have to follow their zoning
20 when we're building within their city limits, but we don't
21 have to follow their site development regulations. We
22 choose too, though, in partnership. And so, yes, it's
23 true.

24 We did not go before the City Council for
25 approval of our development plan because we are an odd

1 duck. We're not your usual private landowner inside a
2 city.

3 MR. GOODWIN: Ms. Eckhardt, I don't want to
4 interrupt, but I think the issue in front of our Board is
5 whether there is a community revitalization plan or not,
6 not whether you have to or have conformed with the City,
7 and that, I think, is the determination based on a number
8 of points given to an application, if it's within a
9 community revitalization plan.

10 So if you don't mind, if you could focus on
11 that --

12 MS. ECKHARDT: Sure.

13 MR. GOODWIN: -- community revitalization plan,
14 I think that's what the discussion and then the vote is
15 going to be on.

16 MS. ECKHARDT: Yeah. So what questions do you
17 have with regard to whether we are part --

18 MR. GOODWIN: Well, I --

19 MS. ECKHARDT: -- of the community
20 revitalization plan?

21 MR. GOODWIN: -- I heard the councilmember
22 before you say that, you know, this was something that was
23 going to be done, and he seemed to focus on Highland Mall.

24 And again, I keep looking at this, and it says, a
25 proposed CRP planning area.

1 It doesn't include Highland Mall, and it
2 includes another area, and I guess I'm curious why the
3 County wouldn't have gone to the City, if you worked so
4 closely with them, and said, let's develop a community
5 revitalization plan --

6 MS. ECKHARDT: Uh-huh.

7 MR. GOODWIN: -- and this one that I see in
8 here, that it says, "Proposed," is that something that the
9 County and the Commissioners have voted on and --

10 MS. ECKHARDT: The North Boulevard [sic]
11 Revitalization Plan?

12 MR. GOODWIN: Well, this shows going from about
13 51st Street up to 2222 or Koenig Lane --

14 MS. ECKHARDT: Yes.

15 MR. GOODWIN: -- from I-35 east to just a
16 little bit -- I mean, east of I-35 to just a little bit
17 west of Airport Boulevard.

18 MS. ECKHARDT: Yes.

19 MR. GOODWIN: So I realize the County doesn't
20 own all that property. They own 13 acres, I assume,
21 within that --

22 MS. ECKHARDT: Yes.

23 MR. GOODWIN: -- which is a location -- thank
24 you very much -- that I have used frequently, but it
25 doesn't create a community revitalization plan unless the

1 County has adopted one for areas which are in the city
2 that are outside of -- or not in the County's purview.

3 I'm just confused.

4 MS. ECKHARDT: Yeah. And that is an area of
5 confusion with regard to County governance. I think that
6 we wear two hats in this instance. We are not only the
7 County government, but we are also a landowner working
8 through our Housing Development Corporation.

9 So I think perhaps the confusion is in the two
10 hats. Yes, we have an adopted County North Airport
11 Boulevard Revitalization Plan. That is true. It is
12 copacetic with the City's plans for the area, and also it
13 is complementary to the Community College's plans for the
14 area, and while the City has neighborhood plans in
15 Ridgetop and the North Loop Neighborhood Associations, we
16 work with those two to make sure that our plan for the
17 13 acres is resonant and follows the City's plan for the
18 area.

19 MR. GOODWIN: Okay.

20 MS. ECKHARDT: Does that help?

21 MR. GOODWIN: Have -- oh, yeah. I understand
22 the difference between city and county government and
23 county property inside of a city. Have you gone to the
24 City and asked them to adopt a community revitalization
25 plan?

1 MS. ECKHARDT: I personally have not stood
2 before City Council and asked them to adopt a
3 revitalization plan for this property, no.

4 MR. GOODWIN: Well, not for this property, but
5 for this area?

6 MS. ECKHARDT: I believe they already have a
7 plan for this area and that we are working within it.

8 MR. GOODWIN: Okay.

9 MS. ECKHARDT: If --

10 MR. GOODWIN: Other questions?

11 MR. BRADEN: To the Chair, Judge, so -- and
12 maybe this is a little -- is some of the same things that
13 J.B. was talking about. So when we look at our packet of
14 materials, there's this red -- I don't know -- if I'm
15 making sure of the map, and maybe Marni can answer it --
16 but there's this red proposed CRP planning area boundary.

17 Has that already been approved by the County
18 Commissioners as a revitalization area of the county?

19 MS. ECKHARDT: Is -- and could I see the map so
20 I could tell you whether it has?

21 MR. GOODWIN: It's in our Board book. I don't
22 have it on this computer.

23 FEMALE VOICE: And you know, I'm prepared to
24 answer these technical questions.

25 MR. GOODWIN: Sure.

1 MR. BRADEN: Okay.

2 FEMALE VOICE: I don't want the Judge to get --

3 MR. GOODWIN: Okay.

4 FEMALE VOICE: -- in the weeds on some of the
5 more technical aspects --

6 MS. ECKHARDT: Yeah.

7 FEMALE VOICE: -- of the plan.

8 MR. BRADEN: Then I'm fine with that.

9 FEMALE VOICE: Okay.

10 MR. GOODWIN: Sure.

11 MS. ECKHARDT: But sufficient to say, the
12 County has invested tens of millions of dollars over the
13 last 15 years, and intends to invest significantly more
14 than we already have in the continued revitalization of
15 this area, in partnership with the City of Austin.

16 We've been in partnership with them throughout,
17 and I'm very proud of that. Any other questions?

18 (No response.)

19 MR. GOODWIN: Next?

20 MS. SISAK: Thank you. Good morning, Board
21 Chair Goodwin. My name is Janine Sisak from DMA
22 Development Company. We are partnering with Travis County
23 on the Travis Flats development. I really appreciate your
24 comments, Board Chair, about the question at issue today,
25 and that is whether the North Airport Boulevard

1 Revitalization Plan meets the language and the
2 requirements of the QAP, and as some of the other
3 questions indicate, and as the 28 pages of back-and-forth
4 between staff and the Applicant on this issue illustrate,
5 is that we've gotten really in the weeds really quickly on
6 this issue in terms of, you know, City, County
7 jurisdiction, the overlap.

8 Are they mutually exclusive? Who has
9 jurisdiction over what? And you know, I contend that
10 that -- all that debate is irrelevant when you look at the
11 language of the rule. I mean, we could sit here and talk
12 about it all day long, but there's no requirement that a
13 county who is invoking the points under this rule has to
14 go to the city for approval.

15 Part of the problem in this case is that there
16 are five plans for this area, five plans, two by Travis
17 County, two by -- or one by neighborhoods, two by the
18 City, and we reviewed all of them, including the City of
19 Austin Corridor Plan.

20 The City of Austin is a corridor plan. It --
21 the boundaries of that City of Austin plan follow the
22 streetscape and therefore it does not meet the
23 requirements of TDHCA. The plan that we submitted that
24 the County Commissioners approved meets the requirements
25 of the QAP, and let me illustrate how.

1 So let's go back to the language of the QAP.
2 The development site must be located in a distinct area
3 that was once vital and has lapsed into a situation
4 requiring community revitalizations. Councilmember Casar
5 talked a little bit about this.

6 I will address it in a second. And then the
7 second prong is that the adopted plan must have
8 sufficient, documented and committed funding to accomplish
9 its purpose on the established time frame. This funding
10 must have been flowing in accordance with the plan, such
11 that the problems identified within the plan will have
12 been sufficiently mitigated.

13 Okay. The first prong: does the planning area
14 have problems indicating a situation requiring concerted
15 revitalization? The QAP specifically lists the following
16 as a potential problem: long-term disinvestment such as
17 significant presence of residential or commercial blight,
18 street infrastructure neglect such as inadequate drainage
19 and/or sidewalks in significant disrepair.

20 The plan that we submitted, which not only
21 includes the 13 acres of Travis County footprint, but a
22 larger neighborhood -- granted, it's within the City of
23 Austin -- but it's a larger neighborhood -- lists the
24 following problems: long-term disinvestment and neglect
25 of Airport corridor streetscape, which contributes to a

1 hostile pedestrian environment, and disincentive to future
2 commercial and residential growth, blighted, underutilized
3 properties, lack of affordable housing and poor
4 neighborhood conditions.

5 These are five different problems. They are
6 beyond poor streetscapes. The problem is not just poor
7 streetscapes and infrastructure, but it's a larger
8 problem, and those problems go throughout the
9 neighborhood.

10 Despite that staff materials note that they
11 could not find evidence of these conditions, our plan and
12 the appeal materials submitted at least 40 pictures of,
13 you know, aging, blighted structures, vacant retail,
14 under-utilized properties, graffiti, I mean, a whole slew
15 of problems in this neighborhood, and it even maps them, I
16 think. I don't know if we did it.

17 But I mean, the incidents were all through the
18 neighborhood. These were not contained within the 13-acre
19 campus. I -- when we first got the rejection of these
20 points, I personally walked the neighborhood. You stand
21 on one side of the street.

22 You have to walk three blocks up to find a way
23 to cross the street, and then walk three blocks down to
24 the public bus stop. It is chaotic. It is truly hostile
25 to pedestrian traffic, and I think, you know, most people

1 who live in Austin would agree that this neighborhood is
2 in need of revitalization.

3 Again, there are five plans targeting this area
4 for strategic redevelopment activities, and yet, not a
5 single one of them meets TDHCA's requirement. But the one
6 that we submitted does. This -- you know, one more thing.

7 Perhaps the issue with this neighborhood is that it's on
8 the upswing, like other neighborhoods in central Austin
9 are on the upswing.

10 It's hard to tell from the staff materials what
11 exactly the issue is when you provide photographic
12 evidence of blight and disinvestment. But there are other
13 CRPs in East Austin that were approved and given points
14 this round.

15 One of them is in the Riverside corridor. That
16 plan was a City Corridor plan. And then the other one is
17 the Homestead Preservation District in central East
18 Austin. And when you look at both those neighborhoods,
19 taking the central East Austin one.

20 Endeavor's doing a huge redevelopment. There's
21 a Whole Foods coming. There's some of the best
22 restaurants in town in that neighborhood. Homes are
23 selling in the 50-0 to \$700,000 range. When you look at
24 Riverside, there's a Starbucks, there's a Bert's, there's
25 an Orange Leaf. There's all this national retail.

1 Oracle put a state-of-the-art campus. And I
2 just -- I find it hard to believe that staff finds
3 evidence of problems in those two areas and can't find
4 evidence of the problems in the North Airport corridor.

5 So that's the first prong. I mean, I feel like
6 it's clear, considering Councilmember Casar's comments
7 about how this was a gateway to ACC and when the mall fell
8 into disrepair, so did this part of town. The second
9 prong: does the plan have sufficient documented and
10 committed funding to accomplish its purpose?

11 The answer is yes. The plan outlines
12 sufficient documented and committed funding in the form of
13 several large redevelopment activities within this
14 planning area to the tune of \$40 million. But staff
15 states that the plan did not provide evidence of targeting
16 funding, because of an interpretive question.

17 Marni read some of it, some of the issue, and
18 I'll read it again, because it's -- I'll just read it
19 again slowly, because it's a sentence that I think merits
20 some thought. "The interpretive question under the rule
21 is whether the requirement that the area targeted for the
22 revitalization must be larger than the assisted housing
23 footprint and should be a neighborhood -- contemplates
24 that the larger area, in this case, neighborhood, would be
25 within the primary jurisdiction of the County that

1 approves the plan, such that the purposes of the plan
2 would extend into that larger area and not be confined to
3 the limited area directly controlled by the County."

4 So in the Board materials, I kind of go through
5 the sentence. I don't think what's at issue here is
6 whether our planning area is a neighborhood. I think it
7 is a neighborhood. Again, it's beyond the 13 acres. That
8 consists of the Travis County Campus.

9 This question, which I mean, I -- honestly, I
10 just -- I've read it 15 times. I'm not sure that I even
11 understand it, but it's beyond the scope of the rule.
12 There's nothing in the rule that contemplates this kind of
13 question.

14 I think the interpretive question, rather,
15 is -- does the committed funding affect the entire area
16 and does it help ameliorate issues identified in the plan?

17 I think that's the operative question, and I think the
18 answer is yes.

19 I think what staff's heartburn on this issue is
20 that the County plan covers an area within the city
21 limits, and I think what they're suggesting is, that
22 shouldn't count, because the City has primary jurisdiction
23 over certain things, like roads, for instance.

24 Again, there's this talk about -- did we take
25 the County plan to the City? And the answer is no,

1 because the rule doesn't require that in any way, shape or
2 form. At one point, when we were talking about the rules,
3 TDHCA staff was recommending language changes to this
4 section to suggest that the County could only pick a most-
5 favored project in a county that was outside of the city
6 jurisdiction.

7 I don't know if you remember that. I was the
8 person who got up and said, hey, wait. You know, the rule
9 has always said, cities can have plans. Counties can have
10 plans. Cities can pick a most-favored. Counties can pick
11 a most-favored.

12 That draft language was not accepted by this
13 Board, and so it suggests that what we always thought the
14 rule said was true. Counties have the ability to form
15 plans. Cities have ability to form plans. County can
16 pick most favored. City can pick most favored.

17 But the fact that the Board did not accept that
18 changed language suggests that all of this discussion
19 about whether we took the County plan to the City is
20 outside of the scope of the rule. I mean, it just is.
21 And this concept of an interpretive question -- I mean,
22 when you go back and forth with staff, and you're kind of
23 arguing a point, and then, you know, this kind of question
24 comes up that's not in the rule after the fact, you know,
25 in May, June -- oh, this is the requirement that you have

1 to meet, even though it's not in the rule at all, you
2 know, seems really like you're just chasing an unknown.

3 And I think the issue is that TDHCA staff
4 doesn't think there should be County plans within the City
5 jurisdiction. And that's fine. Next year, change the
6 rule to say that. The rule does not say that now. So in
7 sum, the big picture is, the plan we submitted meets the
8 QAP requirements which are meant to award points where
9 there's a plan in place and targeted funding to address
10 the problems identified in the plan.

11 The important analysis is whether the County's
12 \$40 million investment in this area is working to
13 ameliorate the problems identified in the plan throughout
14 the entire planning area. And again, the plan just didn't
15 identify streetscape and street improvements.

16 The big picture is that the City, County and
17 neighborhood groups have been working together through
18 various strategic plans to improve this area which is need
19 of revitalization. The City of Austin and the County have
20 both made significant financial commitments to see this
21 happen in this very important corridor.

22 And so in sum, the plan that we submitted meets
23 the requirements of the QAP. I'm happy to answer
24 questions, but really, we need to focus on -- is this an
25 area in need of revitalization? Yes. Is there targeted

1 funding that improves the issues identified in the plan?

2 Yes.

3 You know, is this a neighborhood that's a
4 neighborhood, a larger area than the Travis County Campus
5 footprint? Yes. Any questions?

6 MR. GOODWIN: Questions?

7 MR. BRADEN: So when you say there's targeted
8 funding, you're referring to the County money?

9 MS. SISAK: Yes.

10 MR. BRADEN: And the County money is not being
11 spent on this site, but it's being spent on other
12 properties that the County owns within this proposed CRP?

13 MS. SISAK: It is spending money within the
14 boundaries of the CRP area, which is the neighborhood.

15 MR. BRADEN: Right. On properties that it
16 owns?

17 MS. SISAK: On properties that it owns, but
18 remember that that extends to the streets. Right? So
19 they're creating sidewalks that are walkable. They're
20 working with the neighborhood to create vibrant
21 community -- mixed-use communities with, you know,
22 connectivity to public transportation.

23 The whole area benefits, and it's not just a
24 small -- the 13 acres isn't a small portion of the area.
25 It's 13 acres. It has a huge potential for -- to be a

1 catalyst project.

2 MR. GOODWIN: But I think the question that I'm
3 hearing Paul -- and I'm not hearing the answer to is, all
4 of the County's money is going to be spent on that
5 13 acres, not three blocks away where you had to cross to
6 go get the bus. Just a point of clarification.

7 MS. SISAK: Uh-huh. Yeah --

8 MR. GOODWIN: That's correct?

9 MS. SISAK: -- I think that's accurate. Right.

10 MR. GOODWIN: That's accurate? Uh-huh. I've
11 got a question --

12 MS. SISAK: But the -- again, the benefits --
13 the benefits --

14 MR. GOODWIN: We understand.

15 MS. SISAK: Okay.

16 MR. GOODWIN: Marni, I've got a question for
17 you. You referenced two other applications in two other
18 areas that received these points --

19 MS. HOLLOWAY: Uh-huh.

20 MR. GOODWIN: -- but they're not City of
21 Austin -- community revitalization plans are not in place
22 in those?

23 MS. HOLLOWAY: The --

24 MR. GOODWIN: That's what I understood.

25 MS. HOLLOWAY: -- plans are in place.

1 MR. GOODWIN: I'm sorry?

2 MS. HOLLOWAY: There are plans in place for
3 those two applications that meet our requirements and our
4 rule.

5 MR. GOODWIN: Okay. But they're community
6 revitalization plans --

7 MS. HOLLOWAY: Yes.

8 MR. GOODWIN: -- in both of those other areas?

9 MS. HOLLOWAY: Yes.

10 MR. GOODWIN: Okay, okay. Other questions?

11 MR. BRADEN: And maybe this is Marni or maybe
12 it's Beau or Tim, but our rule doesn't require that the
13 City adopt a plan. Right?

14 MR. IRVINE: I'll attempt to clarify at least
15 my understanding, and frankly, address something that
16 Janine said. I don't think it's an issue of whether staff
17 thinks that counties can or can't assert their
18 jurisdiction in areas that happen to be covered by
19 municipalities.

20 To me the issue is, has the County's plan,
21 which is documented in the application, defined an area?
22 Which it has. The red line defines the area. For the
23 portion within that that is 13 acres, I understand that
24 the County has committed funding.

25 That funding goes beyond the development and it

1 includes the other facilities that the Judge mentioned.
2 So the real question in my mind is, within the portion of
3 the red circle that is outside of the 13 acres, is it
4 described in the plan and acceptable to the Board that
5 that funding is occurring under things that are going on
6 at the City level, Capital Metro level, other levels.

7 I mean, to me, that's the way I understand the
8 issue.

9 MR. GOODWIN: Any other comments or questions?

10 MR. BRADEN: And I guess in light of that, you
11 know, I basically agree. I mean, I think that the County
12 adopted something that set out the boundaries, these red
13 lines, and that seems like the box is checked. And let's
14 check the box about the first priority in terms of needs
15 being there.

16 If we're going to assume that that's the case,
17 we're going to have to have a discussion about that. So
18 then the committed funding they have is County money, when
19 owning County properties. Now, we've heard second -- you
20 know, just testimony today that the City is also putting
21 money in this corridor, which must be on both sides of
22 Airport Boulevard, I would assume.

23 It's a corridor. So that would cover part of
24 that, and I guess we don't have documentation to show
25 that. We've heard about other entities that are investing

1 money, but the only documentation we know for sure is the
2 money that the County is putting in.

3 And I guess that just goes to the rule. I
4 mean, the intent of the rule, it's supposed to be part of
5 a larger revitalization effort and the fact that the
6 County is only putting money into its properties -- it's
7 not like a private developer that only puts money into its
8 properties.

9 I mean, I do think there is some revitalization
10 by any government entity putting money into property. So
11 I think there is a distinction here, but I mean, I guess
12 it would have been nice if we had more of the demonstrated
13 evidence of other government entities putting money into
14 this area.

15 I mean, it sounds like it is -- they are,
16 but --

17 MS. HOLLOWAY: The Airport Boulevard Corridor
18 Plan actually is posted on the City of Austin website. I
19 was looking at it the other day and it is actually very
20 detailed in the improvements they're going to be making
21 along Airport regarding these mobility questions.

22 MR. GOODWIN: Is it referenced in the plan?

23 MS. SISAK: Yes, it is.

24 MR. GOODWIN: You mean the application?

25 MR. IRVINE: In the plan, which is in the

1 application.

2 MS. SISAK: In the plan, which is in the
3 application, several times.

4 MR. BRADEN: And that corridor, I assume, is on
5 both sides of Airport Boulevard?

6 MS. HOLLOWAY: Yes.

7 MR. BRADEN: So when they're making
8 improvements and they're -- it sounds like the City of
9 Austin is committing money to that -- it's along this road
10 that's right in the County CRP?

11 MS. HOLLOWAY: Yes.

12 MR. BRADEN: That sounds like pretty much what
13 the rule's trying to get at.

14 MR. GOODWIN: Uh-huh. Any other questions?
15 May I hear a motion from a Board member to either accept
16 staff recommendation and deny the points, or to approve
17 the appeal?

18 MR. BRADEN: I'll make a motion to approve the
19 appeal in light of what was discussed.

20 MR. GOODWIN: Okay. Is there a second?

21 MS. RESÉNDIZ: Second.

22 MR. GOODWIN: So it's been moved and seconded.

23 Any other discussion?

24 (No response.)

25 MR. GOODWIN: All those in favor, say aye.

1 (A chorus of ayes.)

2 MR. GOODWIN: Opposed?

3 (No response.)

4 MR. GOODWIN: Okay. The appeal is granted.

5 All right. We're going to move on to report action items,
6 and we have a report on the Department's Outreach and
7 Citizen/Community Participation Plan.

8 MS. HEMPHILL: Good morning, Chairman Goodwin,
9 Board members. I'm Suzanne Hemphill, Fair Housing project
10 manager at TDHCA. Item 3(a) is a report on the
11 Department's Outreach and Citizen/Community Participation
12 Plan for the analysis of impediments to fair housing
13 choice.

14 Funds that the Department received from the
15 U.S. Department of Housing and Urban Development, or HUD,
16 come with a duty to affirmatively further fair housing.
17 This obligation comes from the Fair Housing Act of 1968
18 which gives HUD a lead role in administering the Act.

19 You may have seen some recent headlines about
20 HUD's Affirmatively Furthering Fair Housing Rule. In
21 2015, under the prior administration, HUD adopted the
22 Affirmatively Furthering Fair Housing Rule. This rule
23 required all HUD-funded recipients to complete an
24 assessment of fair housing.

25 They would use an assessment tool that HUD

1 needed to create to complete the assessment. While a tool
2 for local HUD recipients was completed, a tool for State
3 recipients of HUD funds was never finalized by HUD. The
4 Affirmatively Furthering Rule seems to have contemplated
5 this, that this could occur, because the rule states that
6 if the tool is not completed, recipients will instead
7 conduct a fair housing assessment under the prior
8 methodology, the analysis of impediments to fair housing
9 choice, also known as the AI.

10 So that's what Texas will be doing. The AI
11 will identify impediments to fair housing choice within
12 the whole state. One of HUD's major planning requirements
13 of subrecipients, including the Department, is that every
14 five years a new consolidated plan is required to be
15 produced.

16 Prior to beginning the consolidated plan for
17 2020 to 2024, all State agencies that receive community
18 planning and development funds from HUD are required to
19 undertake their housing planning which includes, as
20 directed by HUD, completing an analysis of impediments.

21 Completing an AI and documenting action steps
22 taken to address the identified impediments are part of
23 the Department's efforts to affirmatively further fair
24 housing. The General Land Office, Department of State
25 Health Services, Texas Department of Agriculture and the

1 Texas Department of Housing and Community Affairs are
2 State recipients who disburse federal funds from the
3 Community Development Block Grant, CDBG disaster recovery
4 programs, housing opportunities for persons with HIV/AIDS,
5 HOME, National Housing Trust Fund, and the Emergency
6 Solutions Grants Program.

7 All these programs are responsible for carrying
8 out the work of the AI. The Department will take the lead
9 in coordinating efforts across the State agencies. The
10 most recent State AI was completed by the State in 2013
11 with the use of external consultants.

12 However, for this next AI, the State is taking
13 a different approach. It will be completed with internal
14 staff and through the addition of two temporary positions
15 to support the project, as outlined in the Department's
16 General Appropriation Act.

17 In the development of the AI, the State will
18 follow the Citizen/Community Participation Plan as
19 required by federal regulations and approved by the Board
20 in November 2017. A significant degree of public
21 consultation and engagement is required by HUD prior to
22 initial draft of the AI being presented to the Board and
23 made available for public comment.

24 The Board book includes a draft outreach
25 schedule for the AI. The Department will host 13 meetings

1 across the state of Texas in June, July and August to get
2 input from stakeholders and community members. The
3 outreach meetings will take place in Abilene, Amarillo,
4 Austin, Brownsville, Corpus Christi, Denton, El Paso,
5 Houston, Laredo, Midland, Nacogdoches, Seguin and
6 Texarkana.

7 The State will be seeking input and feedback
8 regarding fair housing issues and particularly issues
9 affecting protected classes under the Fair Housing Act.
10 So those groups include race, color, religion, national
11 origin, sex, disability and familial status, and the
12 ability of those persons to exercise housing choice.

13 In collaboration with other State agencies,
14 staff will also host several conference calls that will be
15 more narrowly focused on specific fair housing topics,
16 such as fair housing through the lens of disaster recovery
17 and the intersection of health services and fair housing.

18 The Department is also hosting a call with Fair
19 Housing Initiatives Program and the Fair Housing
20 Assistance Program recipients. These are HUD-funded
21 organizations in Texas who focus on fair housing education
22 and enforcement, and we expect that they'll have some
23 unique insights to share.

24 The Texas Department of Agriculture is also
25 seeking input through their summer meetings with each

1 Council of Government in Texas. In other meetings, fair
2 housing will appear on the agenda and be a subject to
3 discuss.

4 The outreach schedule will be translated into
5 Spanish and Vietnamese and made available on the
6 Department's website. Because the AI will also inform the
7 consolidated plan, the Department will use the outreach
8 and engagement process for the AI as an early opportunity
9 for consolidated plan consultation, allowing staff to
10 maximize State resources.

11 After conducting outreach, staff will compile
12 the results with our data analysis and research efforts
13 and present a draft AI to the Board for consideration in
14 fall to winter 2018. The draft will then be published
15 with a formal public comment period to follow.

16 The State's AI is due to HUD on May 7, 2019.
17 So I'm excited to be heading up this project for the
18 Department. Thank you very much, and I'm happy to answer
19 any questions that you might have.

20 MR. GOODWIN: Do I hear a motion to accept this
21 report?

22 MS. THOMASON: So moved.

23 MR. GOODWIN: So moved. Second?

24 MR. BRADEN: Second.

25 MR. GOODWIN: Before we vote, any questions?

1 (No response.)

2 MR. GOODWIN: All in favor, say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MR. GOODWIN: Okay. Thank you. Item 3(b).

7 MR. ZIMMERMAN: Good morning, Board, Chairman
8 Goodwin. My name is Matt Zimmerman. I'm the asset
9 resolution manager under the Asset Management Division,
10 under the leadership of Raquel Morales. I'm here to
11 provide a report item on a workout plan that's been
12 approved by our executive director and administratively
13 per our rule.

14 Angelica Homes is a 1999 home deal consisting
15 of 24 units in the city of Fairfield. The current owner
16 of Angelica Homes has submitted a request of ownership
17 transfer due to the age and inability for them to
18 currently maintain the operations of the property.

19 Staff have been working with the owners for
20 over a year now, and the subject property is subject to a
21 41-year term LURA. The development was funded in two
22 tranches of debt service, 890,000 in hard debt service and
23 which the owner is current on, and the \$320,000 deferred
24 balloon note.

25 The balloon note is due and owing and the lack

1 of sufficient cash flow has left the owners unable to pay
2 this outstanding balance associated with the balloon note.

3 Underwriting at the inception of this deal acknowledged
4 and mentioned the need to forgive a significant portion,
5 if not all of this soft debt service, as illustrated
6 through the pro forma.

7 Asset Management staff have reviewed multiple
8 modifications and options to incorporate the outstanding
9 loan into a harder soft debt service model, but both these
10 options would put the new owners under financial stress
11 and could potentially hinder the success of the new
12 owners, thereby presenting potential liability to Housing
13 and Urban Development.

14 Staff has moved to forgive this outstanding
15 balloon note in order to illustrate success for the
16 ownership transfer.

17 MR. GOODWIN: Okay. Any questions?

18 (No response.)

19 MR. GOODWIN: Do I hear a motion?

20 MR. BRADEN: Move to approve.

21 MR. GOODWIN: Move to approve. Second?

22 MS. THOMASON: Second.

23 MR. GOODWIN: Moved and seconded. All those in
24 favor, say aye.

25 (A chorus of ayes.)

1 MR. GOODWIN: Opposed?

2 (No response.)

3 MR. GOODWIN: Okay.

4 MR. ZIMMERMAN: Thank you.

5 MR. GOODWIN: 3(c).

6 MR. SCOTT: Good morning, Chairman Goodwin,
7 Board --

8 MR. GOODWIN: Good morning.

9 MR. SCOTT: -- members. The Audit and Finance
10 Committee met earlier this morning. I presented the audit
11 of the Emergency Solutions Grant, ESG. We found that the
12 program had effective processes and we had a few
13 suggestions for improvement.

14 There were also two other items presented which
15 Ms. Thomason is going to introduce.

16 MS. THOMASON: Yes. This morning in our
17 meeting, we also had a presentation by Mr. Lyttle related
18 to the Agency's strategic plan for fiscal years 2019
19 through 2023, and Mr. Lyttle will speak to that.

20 MR. LYTTLE: Thank you, Ms. Thomason. Yes,
21 the -- we are coming before the Board -- TDHCA staff is
22 coming before the Board in this month and next to have
23 elements of the Legislative Appropriations Request, or
24 what we call the LAR, approved.

25 Items 4(a) and 4(b) contain the strategic plan

1 draft budget riders that will be a part of our overall
2 budget plan, and the capital budget as well, which deals
3 with information systems technology and upgrades and
4 things of that sort.

5 So we had presented all those items to the
6 Committee this morning for their approval -- their review
7 and approval. Thank you.

8 MR. GOODWIN: And I assume you approved them?

9 MS. THOMASON: Yes, we did.

10 MR. GOODWIN: Okay. So we need a motion to
11 accept Item 3(c), 4(a) and 4(b).

12 I'll let you make that motion.

13 MS. THOMASON: So moved.

14 MR. GOODWIN: So moved. A second?

15 MR. BRADEN: Second.

16 MR. GOODWIN: Moved and seconded. Any
17 discussion?

18 (No response.)

19 MR. GOODWIN: All those in favor, say aye.

20 (A chorus of ayes.)

21 MR. GOODWIN: Opposed?

22 (No response.)

23 MR. GOODWIN: Moving on to Item No. 5.

24 MS. BOSTON: Hello.

25 MR. GOODWIN: Good morning.

1 MS. BOSTON: Chairman and Board, I'm Brooke
2 Boston, one of our deputy executive directors. I'm
3 presenting Item 5 in your Board materials. This item is a
4 request for Board authorization to pursue a funding
5 opportunity recently released by HUD that would allow us
6 to access more housing vouchers.

7 On April 18 of this year, HUD released a Notice
8 of Funding Availability, or what we call a NOFA,
9 announcing the availability of \$100 million in mainstream
10 housing vouchers. These vouchers are for non-elderly
11 people with disabilities.

12 The NOFA prioritizes submissions in which the
13 current voucher program already partners with service
14 agencies and in which vouchers will be used to allow
15 persons with disabilities living in institutions to exit
16 those institutions and live in a community setting.

17 Staff feels we're very well positioned to apply
18 for these vouchers because the Department has just such
19 expertise in partnerships through an existing program we
20 have called Project Access. Our Section 8 manager, Andrew
21 Adams, and his team did an excellent job administering
22 this Project Access program, which provides vouchers
23 through our Section 8 program for persons exiting
24 institutions through an existing partnership that we have
25 with the Texas Health and Human Services.

1 Our Project Access program has been in
2 operation since 2003 and has consistently grown.
3 Currently, the Department's Project Access program has a
4 waiting list exceeding 200 individuals. We're interested
5 in pursuing this NOFA specifically so that, if awarded, we
6 can issue vouchers to those on the waiting list and then
7 others, if there are still some available.

8 Staff's application to HUD -- we'll request up
9 to \$2 million. Staff is also asking for authorization
10 with this Board request item, that if the funds are
11 awarded, we can go ahead and proceed with accepting the
12 award and issuing the vouchers to the waiting list so that
13 we can move quickly.

14 We would, of course, report to the Board to let
15 you know the status of the award and the progress in
16 issuing the vouchers. The application is due to HUD
17 June 18. I want to give a shout-out to Andre, the manager
18 of the Section 8 program for his ongoing commitment and
19 interest in trying to consistently bring in more resources
20 and assist more households, and while the Section 8 staff
21 and I definitely have the stronger -- excuse me - desire
22 to apply for these funds, it would not have been possible
23 to make that actually happen without the amazing skills of
24 Cate Tracz.

25 Cate, if you could stand up? She has also been

1 assisted by Elizabeth Yevich and Cali Adams, who are both
2 here, and Cathy Collingsworth in our Community Affairs
3 Division, who is back working. So without their help, we
4 wouldn't have actually been able to try and put together
5 the whole application to do this.

6 So with that, if you have any questions, I'd be
7 happy to answer them.

8 MR. GOODWIN: Do I hear a motion to accept the
9 staff's recommendation for this application?

10 MR. BRADEN: I'll make a motion to accept the
11 staff's recommendation and authorize the executive
12 director of the TDHCA staff to submit the application.

13 MR. GOODWIN: Second?

14 MS. THOMASON: Second.

15 MR. GOODWIN: Any discussion?

16 (No response.)

17 MR. GOODWIN: All those in favor, say aye.

18 (A chorus of ayes.)

19 MR. GOODWIN: Opposed?

20 (No response.)

21 MR. GOODWIN: Thank you.

22 MS. BOSTON: Thank you.

23 MR. IRVINE: And I'd just like to express
24 appreciation to Brooke and her team for always leaning
25 forward and looking for solutions. So thanks.

1 MR. GOODWIN: Marni?

2 MS. HOLLOWAY: Good morning. Item 6(a) is
3 presentation, discussion, and possible action regarding
4 the issuance of Multifamily Housing Revenue Bonds for
5 Crosby Plaza. This is Series 2018 Resolution No. 18-021
6 and a Determination Notice of Housing Tax Credits.

7 An inducement resolution was approved at the
8 June 29 Board meeting and a reservation was issued on
9 March 9 with a bond delivery deadline of August 6. Crosby
10 Plaza Apartments is located in Crosby, Texas. This is the
11 acquisition and rehabilitation of 86 units serving a
12 general population.

13 All of the units will be restricted to
14 60 percent of AMI, and currently all of the units are
15 covered by a project-based Section 8 HAP contract. The
16 Applicant has requested a waiver regarding the required
17 delivery date for the no-objection resolution for tax-
18 exempt bond developments which is required by rule to be
19 submitted no later than 14 days before the Board meeting.

20 The proposed development is located in the
21 Houston ETJ. So a resolution is required from both the
22 City and the County. The Applicant timely submitted the
23 resolution from the County, but the Houston City Council
24 did not consider the resolution until its May 16 meeting.

25 The resulting resolution is included in your

1 Board materials. The waiver meets the requirements and
2 rule because it would serve the Department's purpose
3 described in statute by contributing to the preservation
4 of government-assisted affordable housing because Crosby
5 Plaza has that Section 8 contract I just mentioned.

6 Under the proposed financing structure, the
7 Department will issue a single series of short-term, tax-
8 exempt, fixed-rate bonds in an amount not to exceed
9 \$7 million that will be collateralized with the proceeds
10 of a taxable FHA mortgage loan.

11 The bond proceeds will be utilized for project
12 cost and as bond proceeds are drawn down, the proceeds
13 from the FHA loan are simultaneously drawn and placed in
14 an escrow account for the benefit of the bondholders,
15 which minimizes risk.

16 The bond mortgage will be subordinate to the
17 FHA mortgage and will remain outstanding throughout the
18 rehab period and then it will be retired. The bonds will
19 have a maximum interest rate of 5 percent, and a final
20 maturity date of August 1, 2022.

21 Upon redemption of the bonds, the FHA mortgage
22 loan will remain and carry a 4.08 interest rate with a 40-
23 year term and amortization. The Applicant's portfolio is
24 considered a small Category 1, and the previous
25 participation review was deemed acceptable by EARAC which

1 also reviewed the proposed financing and underwriting
2 report and recommends approval.

3 Staff recommends that a waiver of 10.46 of the
4 Uniform Multifamily Rules be granted and that the issuance
5 of up to \$7 million in tax-exempt multifamily housing
6 revenue bonds Series 2018, Resolution No. 18-021 and the
7 issuance of a Determination Notice of up to \$390,778 in
8 4 percent housing tax credits for Crosby Plaza be
9 approved.

10 MR. GOODWIN: Do I hear a motion?

11 MR. BRADEN: I'll make a motion to accept
12 staff's recommendation.

13 MR. GOODWIN: Second?

14 MS. THOMASON: Second.

15 MR. GOODWIN: Any discussion or questions?

16 (No response.)

17 MR. GOODWIN: If not, all those in favor, say
18 aye.

19 (A chorus of ayes.)

20 MR. GOODWIN: Opposed?

21 (No response.)

22 MR. GOODWIN: Okay. 6(c). Thank you, Marni.

23 MS. HOLLOWAY: Uh-huh.

24 MR. GOODWIN: Item 6(c) is presentation,
25 discussion and possible action on a request for the

1 extension of the placement in service deadline under 10
2 TAC §11.6(5) of the -- well, this says, 2016 -- I'm
3 sorry -- of the --

4 MR. GOODWIN: '18?

5 MS. HOLLOWAY: -- 2018 Qualified Allocation
6 Plan (QAP) related to Credit Returns Resulting from Force
7 Majeure Events and a waiver of 10 TAC
8 §10.204(7) (A) (i) (III) related to Financing Requirements
9 for Application No. 16114, The Veranda Townhomes.

10 The Veranda Townhomes received a \$474,312 award
11 of 9 percent credits in 2016. In -- on September 7, 2017,
12 an ownership transfer and application amendment was
13 approved for this development. On April 2, the Department
14 received a request to extend the placement in service
15 deadline under the requirements of the credit returns
16 resulting from force majeure events rule.

17 In the course of reviewing the request, staff
18 determined that a waiver related to financing requirements
19 is required in order that the development can access
20 financing required for feasibility. The 2016 tax credit
21 application identified the members of the general partner
22 as Plano Housing Corporation and RISE Residential
23 Construction.

24 RISE and Plano Housing Corporation were also
25 the co-developers in the transaction, while RISE alone was

1 proposed as a guarantor. The ownership transfer, that I
2 mentioned earlier was approved in September, effectively
3 replaced RISE with Bank of American Community Development
4 Corporation.

5 The request explained that after the
6 application was submitted for The Veranda, RISE and Plano
7 Housing Corporation entered into litigation regarding
8 another development and the issues raised in connection
9 with that litigation made it difficult to cooperate in The
10 Veranda and City Square Apartment Homes, which was a 2015
11 development they had partnered in.

12 RISE and Plano Housing Corporation entered into
13 a letter agreement for RISE's withdrawal from Veranda.
14 Similarly, Plano Housing Corporation exited City Square.
15 RISE has continued with City Square, which was granted
16 relief under the force majeure rule at the December
17 meeting.

18 Regarding the waiver, as a result of the
19 ownership change, along with increased construction costs,
20 the Applicant had to seek new financing. They have
21 submitted new application exhibits and supporting
22 documentation for REA review.

23 They are moving to an FHA 221(d)(4) loan that's
24 broken into two tranches. Tranche A is a \$4,470,000 loan
25 at 4.15 percent amortized over 40 years. Tranche B is a

1 \$2,555,000 loan also at 4.15 percent which is amortized
2 over 20 years and that's the term of the project-based
3 voucher contract.

4 Staff has identified the need for a waiver of
5 part of the rule regarding financing requirements for the
6 Tranche B loan, which is amortized for 20 years. The rule
7 requires amortization on permanent debt no less than
8 30 years.

9 So that's a waiver request. If the force
10 majeure request is granted, the waiver will be necessary
11 to move forward with the proposed financing. Regarding
12 the force majeure request, the Department has received a
13 request to extend the placement and service deadline from
14 December 31, 2018 to December 31, 2019, with the
15 possibility of one 90-day extension.

16 This rule allows the development owner to
17 return issued credits within three years of award and have
18 those credits reallocated to the development outside of
19 the usual regional allocation process, if all the
20 requirements of that subsection are met.

21 The request describes both litigation and
22 material or labor shortages which have caused the
23 development to be delayed. In this case, the litigation
24 described in the request was between Green Extreme Homes,
25 which shares principals with Plano Housing Corporation and

1 RISE, which I mentioned earlier.

2 It was regarding a development called Savannah
3 at Gateway. In the request for extension of the deadline
4 for the development to be placed in service, the
5 development owners describes delays attributable to the
6 lawsuit which prevented moving forward with The Veranda,
7 specifically that they were not able to gain control of
8 the site until June 2017.

9 That's when the letter agreements happened.
10 This same litigation, as I mentioned earlier, was
11 presented by RISE as part of their reason for their force
12 majeure back in December. Regarding the materials or
13 labor shortages in their request the owner provided a
14 letter from their Houston-based general contractor.

15 This was their original general contractor who
16 resigned as a direct result of Hurricane Harvey. They
17 believe -- and they resigned in December 2017. The owners
18 believed that if the contractor had not resigned, they
19 would have been able to timely complete the development,
20 but they were not able to secure another general
21 contractor until late February 2018, making timely
22 completion of the development impossible.

23 Plano Housing Corporation has made a
24 significant investment in The Veranda, including purchase
25 of the land for more than \$3 million and additional

1 predevelopment costs of approximately 500,000. The
2 request is accompanied by letters of support from the City
3 of Plano and Representative Matt Shaheen.

4 I believe that's what it looks like it's
5 pronounced. If the Board grants the request, the
6 development owner will return the \$474,312 in credits, and
7 they will be returned back to the development owner with a
8 2018 carryover allocation agreement.

9 Staff recommends that the request for treatment
10 of The Veranda Town Homes under an application of the
11 force majeure rule and waiver of financing requirements as
12 they relate to amortization be approved with the condition
13 that, except where prohibited by federal or state law, the
14 Applicant must continue to follow the 2016 QAPN rules,
15 except that the 2018 program calendar will apply.

16 MR. GOODWIN: Okay.

17 MS. HOLLOWAY: I'd be happy --

18 MR. GOODWIN: Any questions?

19 (No response.)

20 MR. GOODWIN: Do I hear a motion to accept
21 staff's recommendation?

22 MS. THOMASON: I'll make a motion to accept
23 staff's recommendation with the conditions.

24 MR. GOODWIN: Second?

25 MR. BRADEN: Second.

1 MR. GOODWIN: It's been moved and seconded.

2 All in favor, say aye.

3 (A chorus of ayes.)

4 MR. GOODWIN: Opposed?

5 (No response.)

6 MR. GOODWIN: Marni, now we're going to take up
7 Item 1(k).

8 MS. HOLLOWAY: Certainly. Item 1(k) is a
9 report on required Housing Tax Credit notifications made
10 under 10 TAC §11.8(b)(2)(B) with a Department-provided
11 template, and possible action to accept notifications made
12 using a superseded version of the template as satisfying
13 the current rule.

14 A template that can be used by applicants to
15 provide the notifications required under the rules was
16 posted along with other template documents in December.
17 Staff identified that the posted template for
18 notifications did not include all the requirements in the
19 rule, so we posted a corrected template and send a
20 listserv notification shortly after 2:00 in the afternoon
21 on the day the pre-applications were due.

22 The changes to the template did not involve any
23 statutorily required elements, so notifications that
24 applicants had sent using the old template continued to
25 meet the requirements of our statute. When the revised

1 template was posted, most, if not all, of the
2 notifications had already been given using the old
3 template.

4 Staff believes that notification given using
5 the prior template which meets the statutory requirements
6 should be accepted in light of the provisions in our rules
7 about use of templates. Unless the Board has a different
8 view or any questions, we would ask that the Board confirm
9 that it agrees with this approach by accepting the report
10 without changes.

11 MR. GOODWIN: Okay. And I know we have
12 somebody that wants to comment on this, so I'll take a
13 motion to hear comments regarding this agenda item.

14 MR. BRADEN: So moved.

15 MR. GOODWIN: Second?

16 MS. THOMASON: Second.

17 MR. GOODWIN: Moved and seconded. All in
18 favor, say aye.

19 (A chorus of ayes.)

20 MR. GOODWIN: Opposed?

21 (No response.)

22 MS. RICKENBACKER: Good morning. My name is
23 Donna Rickenbacker with Marquis. Thank you, Chairman
24 Goodwin, for removing it from the consent agenda and
25 allowing me to speak to this item. This item pertains to

1 public notifications.

2 The Texas Government Code requires all
3 applicants to provide evidence that they notified certain
4 individuals and entities of the filing of their
5 applications, and it goes on to state that such
6 notifications are to be given in a form required by the
7 Board in the QAP.

8 This is very important. State statute
9 delegates the content of the notifications to the Board as
10 prescribed by the QAP. Those notification requirements
11 are set forth in Section 11.08 of the QAP and in
12 Section 10.203 of the multifamily rules.

13 This year, several applicants were challenged
14 on either deficiencies in the content of their
15 notifications and/or their failure to notify certain
16 individuals as required by the QAP as directed by state
17 statute.

18 The item before the Board today relates to
19 deficiencies in the content of the notifications. This
20 year, the QAP and the multifamily rules require applicants
21 to include a disclaimer. That disclaimer states: "In
22 accordance with the Department's rules, aspects of the
23 development may not yet have been determined or selected
24 or may be subject to change, such as changes in the
25 amenities ultimately selected or provided."

1 Several applicants did not include this
2 disclaimer. They were challenged. Staff wants to allow
3 these deficient notifications to be deemed acceptable
4 without the disclaimer because staff's guidance in the
5 form of a template was not updated until the day of the
6 pre-application filing deadline.

7 As a result, staff is recommending that any
8 applicants that used the 2017 template that did not
9 include the disclaimer satisfies the notification
10 requirements in the 2018 rules. We respectfully disagree
11 with staff's recommendation to accept public notifications
12 that didn't satisfy the requirements of the 2018 rules,
13 and therefore did not comply with state statute.

14 The lack of a disclaimer may seem like a minor
15 flaw in an otherwise compliant notification form, but the
16 Board's actions regarding this item, we believe, will open
17 up opportunities for others that were challenged to claim
18 their notification deficiencies were compliant or that
19 their failure to properly notify required recipients met
20 the intentions of the rules.

21 We just believe that this is a slippery slope.
22 In this instance, staff is effectively letting guidance
23 in the form of a template supersede or trump our rules,
24 and I must point out that staff gave multiple forms of
25 guidance this year as it relates to this disclaimer.

1 They, you know, identified it in the webinar
2 which replaced this year our workshops. They also
3 identified it in the manual. So there was multiple forms
4 of guidance that did track the requirement to provide this
5 disclaimer in the notification.

6 Also, I personally don't believe -- these are
7 experience developers with experienced consultants. I
8 just don't personally believe that they even looked at the
9 template. I think they probably pulled down templates
10 that they used in prior years and just kind of moved
11 forward with those respective templates.

12 So I personally -- I can argue the merits of
13 this particular item, but I personally think that we
14 believe the Board's action will impact determinations made
15 in connection with more serious public notifications
16 errors and omissions made by applicants and identified in
17 RFAD challenges made this year.

18 Therefore, we're respectfully requesting that
19 the Board table the item, and ask that staff bring back as
20 an action item all RFAD challenges made this year relating
21 to public notifications. This will allow the Board to
22 review all these challenges holistically and apply
23 consistency in its determination as to whether the
24 Applicant followed the rules relating to the content of
25 their notifications and whether they properly notified all

1 required recipients.

2 I'm here for questions.

3 MR. GOODWIN: I've got a question. You
4 referred several times to we. Who is the we? Are you
5 representing somebody, or is we the development community?
6 I just --

7 MS. RICKENBACKER: Well, we as in -- you'll
8 hear some other parties that will be speaking behind me.
9 We as in those that did challenge, particular applicants
10 that didn't properly notify and also didn't properly
11 notify required recipients.

12 So that's who we are referring to.

13 MR. GOODWIN: Okay. That's what I'm -- I just
14 didn't know if it was a certain group that you were
15 representing.

16 MS. RICKENBACKER: Yes, sir.

17 MR. GOODWIN: Okay. Other questions or
18 comments?

19 MS. RICKENBACKER: Thank you.

20 MR. GOODWIN: Uh-huh.

21 MR. KELLY: Chairman Goodwin, Board, thank you
22 for your time this morning. My name is Nathan Kelly with
23 Blazer. To answer your question, I will say that I am
24 here on my own account and Donna does not represent our
25 business with respect to her comments.

1 But I will reiterate that we did submit a
2 number of requests for third-party administrative
3 deficiencies for various applications within Urban
4 Region 6 with respect to the notification issues and our
5 issue or belief or fear rather that -- is that an action
6 on this specific item today will have -- or could be used
7 as an argument or influence with respect to those items,
8 those requests for third-party administrative deficiencies
9 on the notification issues at next month's meeting.

10 And so we would second Donna's request and ask
11 that the Board table this item until the June meeting so
12 that it can be reviewed and viewed holistically alongside
13 all of the other requests for third-party administrative
14 deficiencies related to notifications.

15 And I'm here to answer any questions.

16 MR. GOODWIN: Okay. Any questions? Any
17 comments?

18 MR. BRADEN: And let me -- maybe I'm just
19 restating it for my clarification. So the old template
20 and the new template complied with the statute, but the
21 old template didn't comply with our most recent rules?

22 MS. HOLLOWAY: Correct.

23 MR. BRADEN: And it seems fair, and what staff
24 is recommending is, well, we didn't make that correction
25 to comply with our most recent rules until the day of, and

1 therefore, we're going to let people pick -- use the old
2 or new template.

3 MS. HOLLOWAY: I believe that what we're saying
4 is that the notification complied with statute.

5 MR. BRADEN: Right.

6 MS. HOLLOWAY: The -- I'm --

7 MR. IRVINE: I think we're really going beyond
8 that. If you look at the definition of the Uniform
9 Multifamily Application Templates in Section 134 of 10 TAC
10 §10.3, it clearly provides that if you use the template,
11 by rule, that is deemed to satisfy the requirements of the
12 rule, and the people who used the notification template in
13 its superseded form were using the available template,
14 which it appears to me by rule is deemed compliant and
15 sufficient.

16 MR. BRADEN: And to some extent, instead of
17 replacing the faulty template, if we had just supplemented
18 it by -- here is a fully-corrected template, and had two
19 templates out there --

20 MR. IRVINE: Right.

21 MR. BRADEN: -- that would even be less of an
22 issue than it is now --

23 MR. IRVINE: Uh-huh.

24 MR. BRADEN: -- because in fact, that's what we
25 did. I mean, you really have two templates out there for

1 this --

2 MR. IRVINE: Correct.

3 MR. BRADEN: Yeah. And I guess what is -- what
4 would be the point of tabling it and bringing it back at
5 the next meeting, as opposed to --

6 MS. HOLLOWAY: I think I would prefer that
7 Donna or Nathan speak to that.

8 MS. RICKENBACKER: The purpose of tabling it --
9 first of all, the template is guidance from staff. I
10 mean, Tim, I hope you agree with that. It is guidance.

11 MR. IRVINE: No.

12 MS. RICKENBACKER: No, you don't believe --

13 MR. IRVINE: I do not agree.

14 MS. RICKENBACKER: -- it to be guidance?

15 MR. IRVINE: I think the template is defined in
16 rule and offered as a compliant way to provide required
17 notifications.

18 MS. RICKENBACKER: Okay. Then it was issued
19 and it was issued late, and we all understand that, but
20 there were multiple other, you know, applicants that did
21 comply and did include the disclaimer that's required
22 under our rules, but with respect to the reason why we'd
23 like it tabled and brought back is because we believe that
24 there are, you know, multiple errors and omissions that
25 several applicants, irrespective of templates and what

1 they did or did not use in template forms, that failed to
2 meet all -- several tests in our rules as it relates to
3 public notifications, content of the notification coupled
4 with who was notified or not notified properly.

5 And so we just think that it's important for
6 the Board to have the opportunity to take a look at all of
7 the public notification RFADs so that there's a kind of
8 collective, holistic result in y'all's determination as it
9 relates to public notifications.

10 That's my request.

11 MR. IRVINE: And to clarify from my
12 perspective, the issues of the compliance with the other
13 notification requirements, for example, did you provide
14 notification to all required persons, is not addressed by
15 this.

16 All I'm saying is that if you gave notification
17 when this was the only template that was available and you
18 used that template, the -- that template was deemed
19 compliant. You still had to give it to everybody who was
20 required to receive it.

21 MR. BRADEN: Right. And your holistic approach
22 is one approach. Another approach might be, well, maybe
23 we can decide this one day and cross a line through that
24 and not have to worry about it at the next meeting, and
25 sure, if they have other problems with notices, the

1 community is going to bring that forward, but this is one
2 less thing we have to decide at that next meeting, because
3 we made a determination that we sent out two templates
4 this time, and either one will be okay.

5 I mean, that could be a different approach.
6 Right?

7 MR. GOODWIN: Uh-huh.

8 MS. THOMASON: And if there are other
9 administrative deficiencies or things that weren't
10 handled, those would be brought on a case-by-case basis.

11 MR. GOODWIN: Right.

12 MS. THOMASON: Okay.

13 MR. GOODWIN: This wouldn't prevent that from
14 coming up. Okay. Any other questions?

15 (No response.)

16 MR. GOODWIN: If not, I'll entertain a motion.

17 MR. BRADEN: I'll make a motion to accept
18 staff's recommendation.

19 MR. GOODWIN: Okay. Second?

20 MS. THOMASON: Second.

21 MR. GOODWIN: Moved and seconded. If no
22 further discussion, all those in favor, say aye.

23 (A chorus of ayes.)

24 MR. GOODWIN: Opposed?

25 (No response.)

1 MR. GOODWIN: Okay. Before we go to the part
2 of the meeting that takes general comments, we are going
3 to move into executive session. The Governing Board of
4 the Texas Department of Housing and Community Affairs will
5 go into a closed or executive session at this time
6 pursuant to Texas Government Code 551.074 for the purposes
7 of discussing and to receive legal advice from its
8 attorney, to deliberate the possible purchase, sale,
9 exchange or lease of real estate.

10 So it is -- oh -- the closed session will be
11 held within the anteroom of this John R. Reagan Building.

12 I'm sorry? This one?

13 MALE VOICE: Yeah.

14 MR. GOODWIN: I already read that one.

15 MALE VOICE: Okay.

16 MR. GOODWIN: Yep. What time is it?

17 FEMALE VOICE: 9:29.

18 MR. GOODWIN: At 9:29. We'll reconvene back
19 here at 9:45, and I show the only thing left on our agenda
20 is public comment. So we will be adjourned.

21 (Whereupon, at 9:29 a.m., the Governing Board
22 of the Texas Department of Housing and Community Affairs
23 meeting went into executive session.)

24 MR. GOODWIN: The Board is now reconvened in
25 open session at 9:55 a.m. During the executive session,

1 the Board did not adopt any policy, position, resolution,
2 rule, regulation or take any formal action or vote on any
3 item.

4 So now we are reconvened, and before we go into
5 public comments, I'll see if there's any Board member that
6 wants to make a motion.

7 MR. BRADEN: Mr. Chair --

8 MR. GOODWIN: Yes, sir?

9 MR. BRADEN: -- I'd like to make a motion that
10 we --

11 MR. GOODWIN: Microphone. There you go.

12 MR. BRADEN: I'd like to make a motion that we
13 authorize staff to enter into a letter of intent with Los
14 Robles Development Company, Inc. for the sale of the
15 Alpine Retirement Community, 901 Orange Street, Alpine,
16 Brewster, Texas, and move forward with that sale after
17 appropriate due diligence, and for staff to appropriately
18 address the reserves with respect to such property as part
19 of that sale.

20 MR. GOODWIN: I hear a motion. Do I hear a
21 second?

22 MS. THOMASON: Second.

23 MR. GOODWIN: Any discussion?

24 (No response.)

25 MR. GOODWIN: All those in favor, say aye.

1 (A chorus of ayes.)

2 MR. GOODWIN: Opposed?

3 (No response.)

4 MR. GOODWIN: Okay. Motion is passed. We're
5 now at that part of the agenda that we will accept public
6 comment. And Tamea, if you would, please, keep those
7 comments to three minutes or less.

8 MS. DULA: I'm not verbose. Hello, Tamea Dula
9 with Coats Rose. I just wanted to provide an observation
10 with regard to Item 1(k) that was acted upon by the Board.

11 It seems to me that the action taken by the Board -- and
12 I'm asking that it be confirmed -- was that if you have a
13 notification that follows the 2017 template, that's okay.

14 If you have a notification that follows the
15 2018 template, that's okay. Either one of those templates
16 in 2018. But if you have a notification that was sent out
17 that did not follow the template, then you were required
18 to have that disclaimer paragraph in your notification.

19 Is that correct?

20 MR. GOODWIN: I'm going to give it over to
21 legal counsel, which is appropriate in this public
22 comment.

23 MR. ECCLES: This part of the agenda is not for
24 rehashing matters that have already been voted on by the
25 Board. So that I know that from the discussion that

1 happened during that item that there are going to be a
2 number of folks who will be fine-tuning that observation
3 during the RFADs that are presented at next month's
4 meeting, so that may be a more appropriate time to be
5 offering your comment on the nuanced points of this issue.

6 I'm sorry, but 1(k) has already been presented and voted
7 upon.

8 MS. DULA: Thank you. Point taken, and I
9 apologize for trying to get you to go beyond the agenda,
10 but that was my observation and I hope that you will
11 reflect upon it and consider it next month when you
12 address these issues.

13 Thank you.

14 MR. GOODWIN: Any other comment, any other
15 public comment?

16 (No response.)

17 MR. GOODWIN: If not, I'll accept a motion to
18 adjourned.

19 MS. THOMASON: So moved.

20 MR. GOODWIN: Second?

21 MR. BRADEN: Second.

22 MR. GOODWIN: Moved and seconded. All in
23 favor, say aye.

24 (A chorus of ayes.)

25 MR. GOODWIN: Okay. We are adjourned.

1 (Whereupon, at 9:57 a.m., the meeting was
2 adjourned.)

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C E R T I F I C A T E

MEETING OF: TDHCA Board

LOCATION: Austin, Texas

DATE: May 24, 2018

I do hereby certify that the foregoing pages, numbers 1 through 86, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Nancy H. King before the Texas Department of Housing and Community Affairs.

DATE: May 30, 2018

/s/ Adrienne Evans-Stark
(Transcriber)

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